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- Operates in a hot sector
- Is deeply undervalued compared to peers
- Has a competitive IP advantage
- Sits on \$50 million+ U.S. in cash
- Is set for a gain of 85%

Morning Need to Know

Getting you ready for your investing day

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CANADIAN ANALYSTS' CALLS

INITIATIONS

Alcanna (TSX:CLIQ).

Eight Capital starts coverage with a "buy" rating and a price target of \$9.50 (Canadian), citing the company's transition into a growth-oriented liquor and cannabis retailer.

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Keyera (TSX:KEY) gets upgraded to "outperform" by Credit Suisse with the target moving to \$40 from \$32.

Endeavour Silver (TSX:EDR) is upgraded to "buy" by PI Financial with the target lowered to \$3 from \$3.15.

Excellon Resources (TSX:EXN) upgraded to "buy" at PI with a target of \$1.

Polaris Infrastructure (TSX:PIF). Industrial Alliance Securities resumes coverage with a "speculative buy" rating and a target of \$25. PIF just completed raising \$25 million through convertible debentures.

NFI Group (TSX:NFI). CIBC raises the price target to \$45 from \$43, boosts the EPS estimates, and reiterates "outperformer" after the company bought Alexander Dennis Ltd. for \$405 million (U.S.).



U.S. ANALYSTS' CALLS

Flex (NASDAQ:FLEX). J.P. Morgan raises to "overweight" citing the new CEO's plan to move the company into higher margin businesses.

STOCKS THAT MAY MOVE

Canadian Natural Resources (TSX:CNO)

is buying Devon Energy's Canadian assets for \$3.8 billion (Canadian).

DBRS. This is a private deal but interesting nonetheless as the bond rating service is being bought by Morningstar for \$669 million (U.S.). Carlyle Group and Warburg Pincus bought DBRS, formerly known as Dominion Bond Rating Service, in 2015.

MediPharm Labs (TSXV:LABS) has arranged a \$60 million (Canadian) bought deal financing through a syndicate of underwriters, which is buying 10.8 million common shares at \$5.55 each. The stock closed Tuesday at \$6.04

Charlotte's Web Holdings (CSE:CWEB).

A number of cannabis companies have reported financial results including this name, which had Q1 revenue of \$21.7 million (U.S.), up from \$13.1 million a year ago. Net income of \$2.3 million or 3 cents per share was lower than the \$4.1 million or 4 cents a year ago.

CWEB also announced its shares will start trading on the TSX this Friday under the same ticker symbol.

Trulieve (CSE:TRUL) reported Q1 revenue rose 192% to \$44.5 million compared to last year, while adjusted EBITDA increased to \$19 million from \$6.1 million a year ago.

Acreage Holdings (CSE:ACRG.U) reported Q1 revenue jumped 487% to \$12.9 million from last year, and that it took a net loss of \$31.2 million.

Canada Goose (TSX:GOOS;NYSE:GOOS) is down 10% in U.S. pre-market trading after quarterly revenue rose 25% from a year ago, but that's the slowest growth in eight quarters. The parka maker's EPS was ahead of estimates but overall expenses jumped 40%.

Bank of Montreal (TSX:BMO) said quarterly net income rose 20% from a year ago, which missed estimates as it raised its dividend.

Interfor (TSX:IFP) says it will temporarily reduce production across its operating platform during June, “due to a combination of weak lumber prices and continuing high log costs.”

ArcelorMittal (NYSE:MT). The world's biggest steelmaker is cutting production for the second time this month citing weak demand and high levels of imports into Europe. This comes in the wake of the collapse last week of British Steel.

MARKETS

The TSX and U.S. stock indices are set to follow European and Asian stocks lower as

uncertainty about global trade continues to affect sentiment toward stocks and government bonds rally.

CURRENCIES

The Canadian dollar is essentially flat at \$0.7410 (U.S.) ahead of a Bank of Canada announcement today in which the central bank is expected to keep its key rate steady at 1.75% for the fifth straight meeting.

COMMODITIES

West Texas Intermediate is lower by nearly 3% to \$57.42 a barrel as traders mull global growth and await two weekly U.S. inventory reports.

Gold is up 0.6% at \$1,284.10 an ounce.

Please email questions, comments or concerns to:

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